

# Annual Report 2000 of the Environmental Finance Center Network

Environmental Finance Center Network

2000 Annual Report

## Cleveland State University EFC

### Cleveland State University is the EFC for the Great Lakes Region

The annual report describes the leading accomplishments of the Great Lakes Environmental Finance Center (GLEFC) during the calendar year 2000. The GLEFC was established in 1994 to serve public, private, and not-for-profit sector entities in U.S. EPA, Region 5, which includes the states of Ohio, Michigan, Indiana, Illinois, Wisconsin and Minnesota.

The GLEFC is located in the Urban Center of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University. The Urban Center is a nationally recognized public policy research institute engaged in a wide range of research, technical assistance, and training activities related to the urban

and regional economy.

The GLEFC draws upon Urban Center staff experts and College faculty members in the fields of economic development, environmental planning, public administration, and public management and finance. Where needed, GLEFC also utilized specialists outside the university, including private consultants, experts from the EFC network, and other resources with the necessary skills.

The mission of the GLEFC is to assist communities in the Great Lakes states to build innovative, cost-effective strategies for environmental improvement and sustainable economic development.



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### ACCOMPLISHMENTS

In year 2000, the GLEFC completed work in the policy areas of brownfields, sustainable futures, infrastructure reporting, and planning.

### BROWNFIELDS

**Brownfield Revolving Loan Fund**

The GLEFC conducted an assessment of the effectiveness of the Brownfields Revolving Loan Fund (BCRLF) in all six states in Region 5.

Use of the fund had been stagnant since the majority of awards had been provided, and Region 5 sought to identify the major barriers to utilizing the loan fund, as well as to stimulate and encourage use of the fund by the Region's recipients. The assessment was conducted over the period January through May, 2000 and completed the final report, after revisions, in October of 2000.

Twelve separate on-site interviews were conducted with the BCRLF recipient communities in the Great Lakes states. These include: The Indiana Department of Environmental Management; the City of Indianapolis; Chicago; the West Central Municipal Conference (suburban Chicago); Illinois EPA; Minnesota Pollution Control Authority; Hennepin County, MN; Detroit; Wayne County MI; Battle Creek; Cuyahoga County; and Columbus, Ohio.

In addition to these primary research interviews, more than 23 telephone and/or email communications and interviews were conducted with secondary sources of program information regarding the strategy, implementation and outcome of the use of the BCRLF on a national basis. These discussions included mostly public officials but also the experience and perspectives of some private representatives' that were incorporated into the research.

As recommendations emerged from the ongoing relevant discussions, these were provided to EPA Regional representatives and incorporated into their pilot community management duties. The complete assessment and recommendations were incorporated into a final report, which addressed both solutions for the pilot recipients as well as for EPA Region 5's

management of the program in order to increase the effectiveness of the BCRLF.

**Brownfields One-Stop-Shop (BOSS) Task Force**

The GLEFC initiated a strategic planning process for the group of federal agencies in northeast Ohio with a role in brownfield remediation. In addition, the GLEFC is conducting the process for the Federal Executive Board of Greater Cleveland. The BOSS Task Force consists of 14 Federal agencies with a role in brownfields.

**Federal Reserve Bank of Cleveland Brownfields Conference**

The GLEFC assisted the Federal Reserve Bank of Cleveland and the Federal Reserve Bank of Philadelphia in the planning of a brownfields conference to address innovative practices and policies in remediating brownfields.

**State of Ohio Brownfields Grant/Loan Fund Bond Issue**

The GLEFC assisted the Ohio Department of Development (Urban Revitalization office) in the development of a strategy and structure of a bond financed brownfield grant and loan fund program in the State of Ohio.

**Ohio Brownfield Finance Task Force**

The GLEFC participated in the state-wide forum convened by the Ohio Water Development Authority between public agencies and private developers to discuss the opportunities in the finance and redevelopment of brownfields.

## SUSTAINABLE FUTURES

### Sustainable Urban Redevelopment Charrette

The GLEFC collaborated with the Maryland EFC (Region 3) to conduct an Ohio Charrette on *Sustainable Urban Environments: Elevating the Stature of Urban Redevelopment in Public Policy Relative to Greenfields Redevelopment*, which Dr Jack Greer, Director of the Environmental Finance Center at the University of Maryland facilitated. The Charrette was held on March 3, 2000. The GLEFC invited over 30 leaders in the field of economic development, environmental issues, and public policy to participate. Eventual participants included city and suburban planning and development directors, elected officials at the municipal and state level, as well as participants from the federal government, county, nonprofit development organizations, and the private sector. Two external panelists from outside Ohio who were experienced in the areas of development and public policies served as experts. The goals of the event were:

- Reveal policy barriers for redevelopment that are important but not widely understood;
- Review the uses of public resources for the development of greenfields versus redevelopment; and
- Recommend actions to rectify inequity.

The recommended strategies of moving forward consisted of three elements: focus, education, and organization.

- *Focus:* The focus of redevelopment must be expanded to include the central city and the older

suburbs; it must emphasize that the future of the county and the region are at stake: demonstrate that communities are interconnected: newer communities are affected by the conditions of the older ones; and package a regional perspective and plan for redevelopment.

- *Education:* Educate public officials, corporate leadership, religious leaders, and the media on the real costs and dangers associated with failure to maintain and redevelop older communities: emphasize issues of outmigration, tax-base erosion, costs, and economic decline; target specific policy issues (e.g., infrastructure, storm water run-off); envision a positive future and the mechanisms to achieve that vision; demonstrate that existing policies promote outer development and outmigration but ignore impacts on older communities; and advocate the need for a new land bank mechanism (such as a land development trust) empowered to acquire land and plan and organize partnerships.
- *Regional Organization:* Organize at the county and regional level: build a coalition involving public and private sectors; start with the local county commissioners; and build on existing initiatives (e.g., First Suburbs Consortium, County Treasurer's link deposit program).
- *Statewide Organization and Education:* In order to increase influence with state legislature, organize across the state with Hamilton County in the Cincinnati area and Franklin County in Columbus. Demonstrate to state government that central cities and older suburbs are doing all they can to help themselves, but that they cannot succeed without state support. Educate legislature on policy bias that disadvantages older

communities and promotes urban sprawl. Address lack of coordination among state departments, and advocate for a line item in state budget for redevelopment of older communities.

## NATIVE AMERICAN DEVELOPMENT STRATEGIES

GLEFC concluded a unique 3-year project to help the 35 Federally-recognized Indian tribes in the Midwest. This work, which took place in Michigan, Wisconsin, and Minnesota, involved providing training and technical assistance services to the tribes in four priority areas: 1) ecological design, 2) sustainable economic development, 3) comprehensive community planning, and 4) alternative energy development. The project was undertaken in three phases:

1. Needs assessment (1997-1998)
2. Training (1998-1999)
3. Technical assistance (1999-2000)

### Needs Assessment Phase

GLEFC conducted meetings with groups of tribes in each of the three states over the first year of our work. Most of the 35 tribes were represented during this needs assessment effort. Many of these meetings included tribal leaders. EPA's three tribal liaisons from its Region 5 Office were present during all meetings. A series of summary reports were prepared and submitted to EPA describing the results of these meetings and the planned future direction for training and technical assistance work.

### Training Phase

Training workshops entitled *Housing, Jobs, and the Land* were conducted in each of the three states (Michigan, Wisconsin, and Minnesota). The title reflects the tribes' top priorities. Housing development was a major need on almost all reservations. Developing sustainable jobs and businesses was a top priority in most cases. Finally, protecting the land and the environment was a major concern everywhere we went. The workshops were well attended with 33 of the 35 tribes represented. Total attendance across the three workshops topped 150 people, which was very good given travel distances and competing time demands for tribal staff and leaders.

### Technical Assistance Phase

GLEFC spent the final year delivering detailed technical assistance services to four tribes selected from eight applying for this assistance. These included:

- *Little River Band (Michigan)*: Provided sustainable housing development assistance and assistance with ecological design strategies.
- *Bay Mills Indian Community (Michigan)*: Provided assistance with a wind energy development project, e-commerce services, and sustainable community planning.
- *Red Cliff Tribe (Wisconsin)*: Provided assistance in evaluating the appropriateness of biological waste treatment methods for the tribe.
- *St. Croix Tribe (Wisconsin)*: Provided assistance with renewable energy and sustainable community planning services.

### Overall Evaluation

The EFC considered the project highly successful based upon the following factors:

- A significant amount of high quality information and knowledge was imparted to tribes that they judged to be beneficial to their planning and decision-making.
- Sessions were well attended, and even included tribal council members, which was a sign that the services and information were valuable and appropriate.
- The EFC completed its assigned scope of work in a professional and timely manner to the satisfaction of EPA Region 5 officials.
- Finally, the EFC learned a great deal from the project about how to serve tribes and help them benefit from the environmental finance center network's resources and skills.

### SUSTAINABLE BUSINESS COMMITTEE

GLEFC has participated in the Sustainable Business Committee (SBC), an off-shoot of the CSU initiated Sustainable Communities Symposium 2000. The SBC explores sustainable business strategies among business executives. The GLEFC brings many of the sustainable business experiences of the EFC network, including infrastructure reporting and planning:

### GOVERNMENT ACCOUNTING STANDARDS BOARD STATEMENT NO. 34:

### INFRASTRUCTURE REPORTING REQUIREMENTS

The GLEFC participated in the provision of training sessions to public officials on the impact and implementation needs of GASB No. 34, requiring government entities to report the original value, conditional assessment of all infrastructure installations

### NEW INITIATIVES FOR 2001

The GLEFC will pursue several new initiatives in 2001 in the policy areas of sustainable infrastructure development, brownfields, and water and sewer capital finance systems.

### Sustainable Infrastructure Development

The GLEFC proposes to conduct a project that is constructed on the concept of sustainable infrastructure development. Sustainable infrastructure development is a strategy to engage a region's communities in seeking to promote the long-term integrity (or stewardship) of the system of physical infrastructure and the integration of environment, economic growth, and quality of life issues in defining the most productive alternatives. The sustainable approach to infrastructure development will prioritize investments and activities that (including but not limited to):

- Preserve, rehabilitate and maintain existing system of infrastructure.
- Enhance the regional infrastructure network of infrastructure.
- Contribute to designing and pricing infrastructure in a manner which lessens environmental

problems such as urban sprawl, air and water pollution.

- Pursue cost/benefit ratios and life-cycle costs which produce the best infrastructure options.
- Ensure that infrastructure assets will be maintained and benefits sustained.
- Contribute to an ongoing dialogue among the region's leaders on the long-term vision for providing and sustaining infrastructure.

In northeast Ohio, each of the five urban centers of the region (Cleveland, Akron, Canton, Lorain and Youngstown) have developed a public-private infrastructure advocacy organization to identify capital needs and financing, prioritize projects, and advocate for projects to address the greatest needs in roads and bridges, water, sewer and transit infrastructure. Each of the infrastructure advocacy programs has been motivated by the assumption that public infrastructure investment had the greatest impact on (private) economic growth. The success of the public-private infrastructure advocacy programs has been developing (sub-regional) capital priorities for the greatest infrastructure needs. The GLEFC Sustainable Infrastructure Development project will, with the assistance of the participating organizations, identify "sustainable" criteria (and tools) into the planning and prioritization process over the northeast Ohio regional geography.

The GLEFC proposes to convene a dialogue with the five infrastructure advocacy public-private partnerships in northeast Ohio to identify an agenda for cooperation on the development of a vision and strategy for sustainable infrastructure in the region. The sustainable infrastructure goals defined in the

Sustainable Communities Symposium 2000 can serve as the basis or starting point for the discussions.

The Sustainable Infrastructure Development program can serve as a demonstration project for the other regions of Region 5. The program can be replicated in the small- to medium-sized cities of Region 5 (e.g. cities like Ft. Wayne or Elkhart, Indiana, or Kenosha, Wisconsin). These are cities where the GLEFC has an existing working relationship.

The GLEFC will work with the Sustainable Infrastructure Committee of the Sustainable Communities Symposium 2000 and Build Up Greater Cleveland (both include representation from EPA's Region 5 Cleveland Office) to initiate the regional approach.

### **Brownfields**

- The GLEFC has been requested to assist the Ohio Department of Development with the structuring of a \$200 million brownfield remediation finance program of grants and loans to public and private entities.
- The GLEFC will continue to work on brownfield related activities through EPA's Region 5 office.

### **Water and Sewer Capital Finance Systems**

- The GLEFC will provide training in Ohio in CAPFinance, the capital asset management system for drinking water infrastructure developed for the EFC Network by the Boise State EFC. Funding is anticipated from the EPA Office of Water.

- The GLEFC is anticipating a test of the CAPFinance in the City of Cleveland, Water Pollution Control division. This will assist in the development of systems to support the future capital needs of the City's sewer system and bring it into compliance with GASB Statement No. 34 regulations on infrastructure asset reporting.
- The GLEFC will provide assistance to local governments through national, regional, and state-wide trade groups on the implementation of GASB Statement No. 34 Infrastructure asset reporting regulations.

#### **EFC NETWORK COLLABORATION**

The GLEFC will be collaborating with the Boise State University EFC to provide training to water utilities on the use of CAPFinance, the capital asset management system for drinking water utilities.

#### **PRESENTATIONS, CONFERENCES AND MEETINGS**

The GLEFC will continue to make presentations in national, regional, and state-wide conferences. These will include conferences of the Council of Infrastructure Financing Authorities (CIFA), Government Finance Officers Association (GFOA), National League of Cities, Municipal Leagues, national brownfields conferences, Build Up Greater Cleveland, the Federal Reserve Bank of Cleveland, and other organizations.

The topics will range from local government compliance with GASB Statement No. 34 infrastructure asset reporting regulations to brownfield management efficiencies.

#### **RESULTS**

The GLEFC will continue to provide assistance to local and state governments and not-for-profit organizations on environmental compliance and sustainable strategies. The evidence of the outcomes is the continued requests from national, regional, state and local governments and organizations that request the participation of the GLEFC. The GLEFC will partner with other EFC's and organizations to ensure continuing success.